



ASX Announcement

15 December 2021

LiveTiles makes strategic investment to acquire a leading Digital Workplace software company

LiveTiles Limited (ASX:LVT) (LiveTiles or the Company), a global leader in Employee Experience workplace software, is pleased to announce it has entered into a binding agreement for a strategic investment into BindTuning, a leading digital workplace software company, headquartered in Portugal.

Highlights

- LiveTiles has entered into a binding agreement to acquire 100% of issued capital in BindTuning over a 24-month period, with an initial payment of USD\$540k for a 19.99% stake and the balance payment calculation linked to ARR performance hurdle.
- BindTuning, with over 200 customers globally, is a leading software company for building technology to transform intranets into a modern and collaborative, intelligent digital workplace to improve the employee experience.
- This acquisition helps accelerate the development of the LiveTiles Marketplace for Employee Experience solutions.
- Payments are to be split 50% LiveTiles shares and 50% cash, funded from existing cash reserves and the OneVentures finance facility.

BindTuning

BindTuning is a leading software company, building connected and engaging workplace technologies since 2011. With a team of 20 employees, BindTuning works with over 200 customers globally and has more than 360,000 licensed users worldwide from customers including McDonalds, Macquarie Group, Tyson Foods, Plantronics, Komatsu and BAE Systems. BindTuning helps transform intranets into a collaborative, intelligent and modern digital workplace to improve employee experience.

BindTuning's top 50 customers cover an employee base of over 4 million employees globally and provide a great opportunity for new business and existing account growth through cross-sell and up-sell efforts. BindTuning has demonstrated an excellent operating record, with the most recent FY20 (Dec31) unaudited results delivering approximately AUD\$1.4M in Revenues and AUD\$260K in net profit.

Acquisition Consideration

The consideration for the BindTuning investment is split 50% cash and 50% LiveTiles shares across two payments, with key commercial terms as follows:

- Upon closing, an upfront investment of USD\$540K for a 19.99% stake, split USD\$270K in cash and 3.16M fully paid ordinary LiveTiles shares based on a 30-day VWAP but with a floor price of AUD\$0.12 per share at 13 December 2021 with a value of USD\$270K.
- The payment and valuation for the remaining 80.01% ownership will be subject to BindTuning achieving an ARR performance hurdle of USD\$4M during the 24-month period from the contract completion date (the "Performance Period"). Should this milestone be met during the Performance Period, a final payment of USD\$9.46M will be made, split 50% cash and 50%



LiveTiles shares. If the ARR milestone is not achieved, both parties will agree to an alternative payment amount.

- This investment will be funded from existing cash reserves together with the earlier announced OneVentures Finance facility.
- The ordinary shares issued for initial 19.99% investment will be from within LiveTiles' issuing capacity under ASX listing rule 7.1. The ordinary shares issued for the balance of 80.01% ownership at the end of the Performance Period, will be subject to shareholder approval.

All shares issued are subject to voluntary escrow restrictions for a 12-month period from the date of their respective issuance and the number of shares to be issued each time will be based on a 30-day VWAP prior to the issue date, with a floor price of AUD\$0.12 per share.

Employee Experience Marketplace

With this investment, LiveTiles and BindTuning will leverage their existing platform technologies to create a brand-new Employee Experience solutions marketplace, providing a highly scalable full-service hub for innovative employee experience offerings. Underpinned by BindTuning's Automate 365 platform, the marketplace will provide a subscription-based collection of solutions to common employee experience challenges, deployable through a simple click and deploy model for any customer within the Microsoft 365 platform. The marketplace will also provide an ability for LiveTiles products including Reach and Directory, to be promoted and deployed to customers in a low touch manner.

Through the marketplace, LiveTiles and BindTuning will be able to expand global reach by offering additional support, automation, product enhancements and other offerings to increase its opportunities for cross-sell and upsell to each of its' customer bases.

Sales Partnership

During the Performance Period, LiveTiles and BindTuning will operate under a sales partnership to compliment and incentivise both parties to re-sell each other's existing products and services to market; as well as sell in the new Employee Experience Marketplace. Under the terms, LiveTiles will also provide corporate support to BindTuning, including areas such as co-marketing initiatives.

LiveTiles Co-Founder and Chief Executive Officer, Karl Redenbach said, "We are very excited to welcome the BindTuning team into the LiveTiles group. With both technology stacks and vision, we believe there is immense opportunity to deliver exceptional experiences to current and future customers and further drive our collective market share within the growing employee experience space. This increased technology capability and access to large customers really helps drive our strategic goals that were communicated to the market in August this year."

BindTuning Founder and Chief Executive Officer, Beatriz Oliveira, said, "Having founded BindTuning in 2011 and working in technology for over 20 years, I've always had an ambitious vision for the evolving market which we work in. We are looking forward to joining forces with LiveTiles to be able to capitalise on that vision, investment and growth."



This announcement has been authorised for release by the Board.

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About LiveTiles:

LiveTiles is a global leader in the employee experience market creating software for employee collaboration and communications. LiveTiles is delivering solutions that drive digital transformation, productivity, and employee engagement in the modern workplace.

LiveTiles have operations spanning North America, Europe, Asia and Australia, and services over 1,000 customers. LiveTiles is a leading player in the Employee Experience Platform Industry and has been acknowledged as such by Forrester and Gartner

About BindTuning

BindTuning is a leading platform for building connected and engaging workplaces for Microsoft 365. It includes all the tools organisations need for creating modern intranet experiences which drive user adoption and engagement, and provides easier ways for sharing information and transforming the way teams communicate and collaborate.

The BindTuning platform is being used by some of the world's leading brands and organisations, with over 200 customers.